INSURANCE—LIEN ON POLICY—INTEREST OF BENEFICIARY.—The insured in a life policy, in which the right to change the beneficiary was reserved, paid the premium by acknowledging a loan and creating a lien on the policy as security. He subsequently defaulted. *Held,* the lien was prior to the claim of the beneficiary. *Rawls* v. *Pennsylvania Mut. Life Ins. Co. of Philadelphia* (C. C. A. Fifth Circuit 1918) 253 Fed. 725.

The weight of authority supports the rule that the interest of the beneficiary of a life policy becomes vested and indefeasible with the issuance of the policy. Joyce, Insurance (2nd. Ed.) § 730; 12 Columbia Law Rev. 551. But, when the insured is given the right to change the beneficiary by the terms of the policy itself, *Hopkins* v. *Northern Life Assur. Co.* (1900) 99 Fed. 199, or by the rules governing mutual benefit societies, see *Masonic Mutual Ben. Society of Ind.* v. *Burkhart* (1886) 110 Ind. 189, 10 N. E. 79, or by statute, *cf. Hopkins* v. *Northern Life Assur. Co., supra,* the interest of the beneficiary becomes a mere expectancy which does not vest until the death of the insured, with the policy unchanged. *Malone* v. *Cohen* (C. C. A. 1916), 236 Fed. 882, *Hopkins* v. *Northern Life Ins. Co., supra;* but see *Indiana Mutual Life Ins. Co.* v. *McGinnis* (1913) 180 Ind. 9, 101 N. E. 289. This interest is neither assignable nor devisable, see *Mich. Mutual Benefit Association* v. *Rolfe* (1887), 76 Mich. 146, 42 N. W. 1094, and is destroyed by the death of the beneficiary before that of the insured. *Martin* v. *Modern Woodmen of America* (1912) 253 Ill. 400, 97 N. E. 693. It would seem, therefore, that the right to change the beneficiary should give the insured complete control of the policy, see *Mutual Benefit Life Ins. Co.* v. *Swett* (D. C. 1915) 222 Fed. 200; but see *Muller* v. *Penn. Mutual Life Ins. Co.* (1916), 62 Col. 45, 161 Pac. 148. Some courts insist that the interest of the beneficiary can be affected or destroyed, only in the manner and form prescribed by the policy. *Deal* v. *Deal* (1911) 87 S. C. 395, 69 S. E. 886, *Sullivan* v. *Maroney* (1909) 76 N. E. Eq. 104, 73 Atl. 842. Others hold that this contingent interest is destroyed by an assignment of the policy, see *Cornell* v. *Mutual Life Ins. Co. of New York* (1914) 179 Mo. App. 420, 165 S. W. 588, or by the cancellation or surrender of it for a new policy in which a new beneficiary is named, *cf. Garner* v. *Germania Life Ins. Co.* (1885) 17 Abb. N. Cas. 7; but see *Holder* v. *Prudential Life Ins. Co.* (1907) 77 S. C. 299, 57 S. E. 853. It seems that the insured could voluntarily have assigned the policy to his creditors, since the right to the policy or its cash surrender value passes to the trustee in bankruptcy. *Malone* v. *Cohen, supra; In re. Shoemaker* (D. C. 1915) 225 Fed. 329. Therefore there is no good reason why he could not give a lien on the policy to one creditor, the insurer, to secure a loan as in the principal case. *Cruise* v. *Illinois Life Ins. Co.* (1906) 122 Ky. 572, 92 S. W. 560, *Mutual Life Ins. Co.* v. *Twyman* (1906) 122 Ky. 513, 92 S. W. 335. To hold otherwise is to insist on a matter of form and to require the insured before creating a lien on the policy to go through the form of making himself or his estate the beneficiary.

INSURANCE—WORKMEN'S COMPENSATION—CHANGE OF INTEREST.—A Workmen's Compensation insurance policy contained a condition that no assignment or change of interest under the policy shall bind the insurer unless its consent shall be endorsed on the policy. *Held,* the insurer is not liable for an injury to an employee which occurred after

the death of the husband, and before the transfer of the policy to his wife, who succeeded to and continued the business. *Kolb* v. *Brummer* (App. Div. 3rd Dept. 1918) 173 N. Y. Supp. 72.

Insurance is a conditional personal contract, whatever the subject matter may be, 1 Joyce, Insurance (2nd ed.) §§ 22, 23, and this is undoubtedly true of workmen's compensation insurance. The insurer can say with whom he will contract and is not bound to accept under the policy any person to whom the insured may transfer his property. See *Hunt* v. *Springfield Fire & Marine Ins. Co.* (1904) 196 U. S. 47, 25 Sup. Ct. 179. The policy is subject to all the lawful conditions which it contains. *Allen* v. *German American Life Ins. Co.* (1890) 123 N. Y. 6, 25 N. E. 309; *Dwight* v. *Germanic Life Ins. Co.* (1886) 103 N. Y. 341, 8 N. E. 654. A condition against a change of interest is lawful, see *Sherwood* v. *Agricultural Ins. Co.* (1873) 73 N. Y. 447, and the death of the insured is a change of interest within the meaning of such condition. *Matter of Hine* v. *Woolworth* (1883) 93 N. Y. 75; *Sherwood* v. *Agricultural Ins. Co., supra.* Generally the death of a party terminates a personal contract, *Sargent* v. *McLeod* (1913) 209 N. Y. 360, 103 N. E. 164, because of a condition implied, *Lacy* v. *Getman* (1890) 119 N. Y. 109, 23 N. E. 452, or expressed, as in the principal case. *Matter of Hine* v. *Woolworth, supra.* Furthermore, the termination of a policy, because of the happening of an expressed condition is not a "cancellation" within the meaning of Sec. 54, subd. 5 of the New York Workmen's Compensation Act, requiring the insurer to give ten days notice before the cancellation of the policy. Consequently, any liability of the insurance company must have arisen by virtue of a new contract with the wife, which was made in this case, after the injury to the employee. Since the power given the employee to sue under the policy, does not give him a better right of action than his employer has, *Northern Employers Mut. Indemnity Co.* v. *Kniven* (1902) 18 T. L. R. 504, the decision seems sound. And, since the statute makes the employer primarily liable, Workmen's Compensation Act, N. Y. Consol. Laws c. 67, this holding does not deprive the employee of the protection guaranteed to him by the act.

INTERSTATE COMMERCE—REED AMENDMENT—CONDITIONAL PROHIBITION BY CONGRESS.—A statute of West Virginia prohibits the sale and manufacture of liquor, but permits a person to bring into the state a quart of liquor in any period of thirty days, for personal use. Defendant carried a quart of liquor into the state of West Virginia for this purpose. He was tried under the Reed Amendment, Comp. Stat., 1918, §§ 8739a, 10387a, 10387c, which makes it a crime for one to carry any liquor into a state which prohibits the sale and manufacture thereof. *Held,* two justices dissenting, that the Reed Amendment was constitutional and that the conflicting state law must give way to the federal act. *United States* v. *Hill* (1919) 39 Sup. Ct. 143.

Carriage of property upon the person constitutes commerce within the commerce clause. See *United States* v. *Chavez* (1912) 228 U. S. 525, 33 Sup. Ct. 595. Consequently, the power of Congress to regulate this practice is supreme. *Gloucester Ferry Co.* v. *Pennsylvania* (1884) 114 U. S. 196, 5 Sup. Ct. 826; *Gibbons* v. *Ogden* (1824) 22 U. S. 1. It has been held repeatedly that under some circumstances this regulation may properly take the form of prohibition. See *Hoke* v. *United States* (1913) 227 U. S. 308, 33 Sup. Ct. 281; *Lottery Case* (1902) 188